

Attorney General Jennings Secures Relief for Consumers in Subprime Auto-Loan Settlement

Settlement to Provide Relief to Hundreds of Delaware Borrowers

An auto finance company operating in Delaware, Exeter Finance LLC, has agreed to provide significant consumer relief for its role in financing subprime auto loans to hundreds of Delaware car buyers, Attorney General Kathleen Jennings announced Monday.

This settlement includes \$550,000 that will be available to provide relief to harmed borrowers in Delaware. Exeter will also be waiving deficiencies on certain subprime loans and will be asking the major credit bureaus to wipe all trade lines for involved subprime loans on those consumers' credit reports. This settlement is part of Attorney General Jennings's review of securitization practices in the subprime auto market—an industry-wide investigation that remains ongoing. Previously, the Delaware Department of Justice [secured](#) \$2.875 million in consumer relief from Santander, another auto financier, for its role in financing subprime auto loans.

A trustee will be appointed to locate and pay restitution to hundreds of eligible harmed Delawareans who financed vehicle purchases through Exeter. A copy of the Cease and Desist by Agreement with Exeter is available [here](#).

“Protecting consumers from unfair lending practices is extremely important,” Attorney General Jennings said. “Today’s

settlement with Exeter provides monetary relief to Delaware borrowers and repairs damaged credit. Our office will continue to investigate the subprime auto lenders to ensure that Delaware consumers receive a fair deal when they are extended credit to finance a purchase.”

DOJ alleges that Exeter facilitated the origination of Delaware auto loans that the company knew or should have known were in violation of state laws. Car loans to consumers with poor credit, known as subprime auto loans, are often made through contracts signed at the car dealership, but the loans are funded by non-dealer financial institutions, like Exeter and Santander. As part of the funding process, these financial institutions securitize the loans, funding them by selling investment notes.

DOJ worked collaboratively with the Massachusetts Attorney General’s Office on this investigation. The Massachusetts Attorney General’s Office has also entered into a settlement with Exeter.

This matter was handled by DOJ’s Fraud Division, including Investor Protection Director Jillian Lazar, Consumer Protection Director Christian Wright, Deputy Attorneys General William Green and Joseph Tabler, forensic accountant Clyde Hartman, and paralegal Courtney Patas. It was initiated by former Investor Protection Director Owen Lefkon.